MEMOIRS *of a* CORPORATION

1850 1950

Weaving a Century

CHAPTER III

Andover Room
R
677
Pac

PACIFIC MILLS

Date Due

H. B. McARDLE

ANDOVER PUBLIC LIBRARY
3 1330 00327 3400

MEMOIRS *of a* CORPORATION

The Story of Mary and Mack and Pacific Mills

with the editorial assistance of Josef Berger

Weaving a Century

PACIFIC MILLS

Executive Offices: 140 Federal Street

BOSTON, MASSACHUSETTS

Andover Room
R
677
Pac
v. 3

DEDICATION

To the memory of those gallant workers of Pacific Mills who died in service of their country on the battlefields of four wars, this series of booklets is reverently dedicated . . .

Copyright, 1950, Pacific Mills, Boston, Massachusetts

Privately printed in U.S.A.
THE BARTA PRESS • BOSTON

PACIFIC MILLS

Officers and Directors

1850		1950
Abbott Lawrence	*President*	Henry M. Bliss
Jeremiah S. Young	*Treasurer*	Henry M. Bliss
W. C. Chapin	*Vice-President*	Clifford B. Hayes
(Agent, 1853-1871)	*Vice-President*	E. Dean Walen
	Vice-President	J. Edmund Bradley
	Vice-President	James Diephuis
	Vice-President	Paul Groover
	Vice-President	Webster E. Plaisted
	Assistant Treasurer	Rufus F. Hale
	Assistant Treasurer	Frederick S. Whiteside
A. Huntington Clapp	*Secretary*	Dwight B. Billings
	Assistant Secretary	Theodore R. Peary

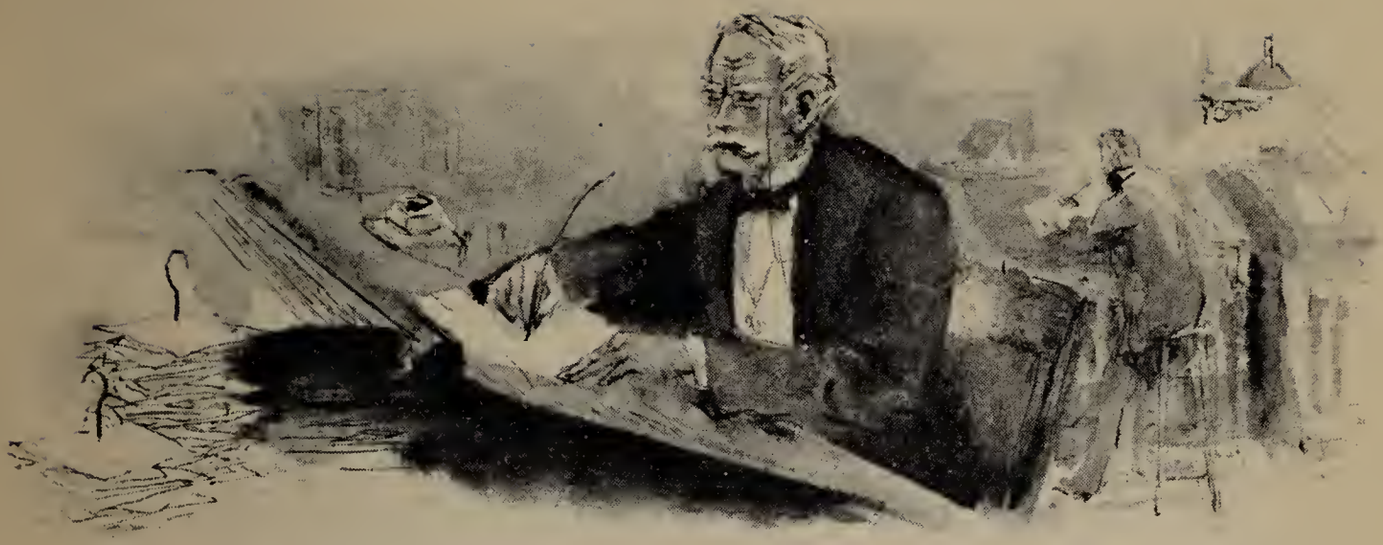
Directors

Abbott Lawrence	Edwin S. Webster
James L. Little	F. L. Higginson
William C. Chapin	Malcolm B. Stone
John A. Lowell	Henry M. Bliss
James W. Paige	Samuel Cabot
J. Wiley Edmands	A. Murray Howe
G. Howland Shaw	J. P. Spang, Jr.
George H. Kuhn	E. Dean Walen
	Clifford B. Hayes
	Sinclair Weeks
	J. Edmund Bradley
	Wm. H. Claflin, Jr.

Tr. fr. VF 8/1/79 Mof #502

This is the third of a series of booklets being published by Pacific Mills at monthly intervals through the current year in commemoration of the founding of the company one hundred years ago.

If you did not receive the preceding chapters, Pacific Mills will be glad to send them to you on request. Write to Pacific Mills, 140 Federal Street, Boston 10, Mass.



III

1850 - This Spinning World - 1950

To anyone who is curious about how his forefathers lived, the yellowed, handwritten business records and correspondence of a century ago offer a rewarding form of entertainment.

Here one browses through history "in the rough" — not as written in textbooks, but at first hand. Mere bits of paper, scrawled with faded ink — yet they bring back human life, hope, fear, sometimes even romance, out of a past that is otherwise closed to us.

Often those brief documents can be pieced together to tell a continued story. For example, from a tiny, antiquated leather briefcase made like an accordion and kept tucked away all these years in a corner of the vault of Pacific Mills, a whole

family life can be traced to its beginnings in this country. First we find:

I, John Carmack, do hereby engage to go to the United States as soon as possible to make arrangements therefor and immediately enter the service of Pacific Mills, Lawrence, Mass., William C. Chapin, Agent, as bleacher, for which position there, I declare myself to be fully competent, and agree to devote myself with faithfulness and sobriety to the best interests of my employers. For this service I am to be paid by Pacific Mills three pounds sterling per week, or $14.64 federal money. It is also agreed that eight pounds sterling shall be paid to me for my passage money.

Should Mr. John Fallon, Superintendent of the print works of Pacific Mills, arrange to employ me as an overlooker for the scouring and preparing of delaines, I am to receive two hundred pounds sterling per annum, or its equivalent, $18.70 in federal money, per week.

Signed, Bradford, England, this 13th day of November, A.D. 1858.

John Carmack

Witness: G. M. Bayley

There were many tricks to the bleacher's trade, and by the time he was twenty-five John Carmack knew them all. But he wasn't contented. He hated the blackened stone buildings of the ancient mill city of Bradford, England, not because of their

abysmal dinginess, but because they were a symbol. He had known those black walls all his life. So had his father and grandfather. They were like a prison. They meant you stayed put. You did one thing in the mill, and you did it until the day you died. No hope of a change, no way out.

Now, in America, so he had heard, things were different. Over there, for a young chap who knew his trade and wanted to get on, there was a chance. A chance. . . .

No. 3 Darley Street,
Farnsworth, Near Bolton,
June 10, 1860.

Mr. Baley —

Sir I beg to inform you that my mother and sisters and I has considered and come to the Conclusion to embark to America being unprepared when I received your Letter I wish to state that we have all things now in readiness and wishes to go the first opportunity offers in the next month. I do intend seeing you personally in Manchester to settle all affairs and if you condescend to let me know the day it would be convenient for you I shall not fail.

Your Humble Servant,
Hanah Cole

In the margin of this letter is penned a note:

Mr. Chapin: Mr. Lomas left with me a list of 36 souls, telling me I must ship them, including this family, but will wait until I hear from you.

G. M. Bayley.

And then, three months later:

No. 3 Darley Street,
Farnsworth, Near Bolton,
September 4, 1860.

Mr. Baley —

Sir we received a Letter from Mr. Lomas on the 3d stating that you agread for our Family to go to America. We want you to let us know a posative Answer. We have decided not to take our Mother who is too old and afrade. We want you to let us know how soon we are to get ready again what Date of the Month.

Your Humble Servant,
Hanah Cole

Further along in the same file:

Pacific Mills

Please pay to my mother Bridget Cole, Farnsworth, England, four pounds £4 and stop it from my wages past earned, also one pound £1 per month hereafter until further notice and stop it from my monthly wages.

Lawrence, February 3, 1861 *Hanah Cole*

Still further, an oblong bit of white paper dated April 26, 1861:

John Carmack, overlooker, scouring, wants to build a house on the west side of Margin Street.

Land 40 x 159 — 6360 ft. — House one story.

Mr. Barton has examined the property and reports it will be worth, when erected, $1,500.

Mr. Carmack wishes to borrow $1,000 and will pay monthly $15 and interest semi-annually.

Yes. W. C. Chapin.

Four months later:

Requested by John Carmack, overlooker, scouring, that £1 per month be stopped from his wages and paid from this date forward to Bridget Cole, Farnsworth, England, instead of payments made to date by Hanah Carmack, nee Hanah Cole, resigned. June 18, 1861. G. M. Bayley notified June 19. See letter book.

And finally, nine months and two weeks later:

Pacific Mills *April 3, 1862*

Mr. Chapin: John Carmack, overlooker, scouring, wishes to build a two-bedroom second story addition to his house on the west side of Margin Street, on which we advanced him $1,000 last year. Requests additional loan of $400. Has paid $193.92, owes $820 principal. Please advise.

Ebenezer T. Colby, Cashier.

Yes. W. C. Chapin.

Actual names of the employees have not been used as given in the originals of these documents for one reason:

Hannah and John Carmack, first of four generations of Carmacks at Pacific Mills — their great–grandson, John Carmack (whom we call Mack for short) is working there today.

The great-grandson of "John Carmack" is working for Pacific Mills today as his father and grandfather and great-grandfather did before him!

In the long history of Abbott Lawrence's "working community" there has been many a repetition of the pattern, father to son, son to grandson. John Carmack's boy's boy's boy is

now a young man whom we shall call Mack for short, and of whom you will hear more later on.

. . .

Mill Agent "Big Bill" Chapin's frantic prayers in the early 1850's that heaven would see fit to open up the clouds and rain little lambs on Pacific Mills, so that it could manufacture cloth without laying out money for wool which it didn't have, went unanswered.

Nevertheless, a start was made. In July of 1854 Pacific Mills delivered its first shipment of goods to its Boston agents, Little, Alden & Company.

James L. Little, head of the commission house, and also a director of Pacific, knew how to go after the business. At the mill, Bill Chapin had learned a great deal about the art of managing a giant on a shoestring. Between the two of them they nursed the enterprise along on half rations until Wiley Edmands took command the following year.

In July of 1855 Pacific Mills reported to stockholders on its first year of production. Things were going better than might have been expected. The loss was only $33,830. The company had spent, for mill and all, $2,117,000 to get the business going — an enormous sum for that day.

But during the same period it had made nearly 9,000,000 yards of cloth and had sold 5,000,000. And for its next twelve months of operation, it showed a profit of $192,000.

The performance amazed everybody — including the management. The mill, moreover, was in good shape now, with

all the necessary machinery in place. The labor force was being built up steadily, of farm boys and girls from the country roundabout and of trained, skilled workers recruited in the old mill towns of England.

In short, things were looking up. But just as Pacific began reaching for the pot of gold at the end of the rainbow, something happened to America. Something beyond the control of Pacific Mills, or of any other company. Suddenly, in the tragic year of 1857, it became apparent that nobody in the country had a pot of gold — or any other kind. Hard times, the hardest since the Revolution, had settled over the land.

. . .

When the great depression of 1857 threatened to scuttle the whole American economy, your own great-grandfather could have picked up all he wanted of Pacific Mills' $1,000 shares for $75 each. If he had bought them — say a hundred — and if your family had stuck them away somewhere in the attic and forgotten they were there until you came along — say in the decade 1910-1920 — those same shares would then have been worth, at the market, as much as $400,000, plus many more dollars in cash dividends.

Pacific Mills came through the prewar and wartime crisis, 1857-1865, on three wheels. It was impossible to say then, and it would be now, whether any one of those three wheels was more important than the other two. They were:

First, a loyal working force of trained men and women under

the matchless skill of Bill Chapin and his overseers, or plant division heads.

Second, economies made possible by a well-conceived, integrated operating setup, new in its day, and giving Pacific a decided competitive advantage.

Third, spectacular success of the management in judging raw material markets correctly and in anticipating the public demand for finished products — in other words, good trading.

. . .

As the banks had predicted, British importations of wool and cotton cloth did pour into the country over the tariff wall during the 1850's. There was a do-or-die attempt to repeat the great sales of British textiles over here that had followed the War of 1812, when commission houses had accepted and auctioned off whole cargoes to the demoralization of the American industry. But this time America was better prepared to meet the challenge.

She was better prepared largely because of the new principle of plant integration that was pioneered by the Boston Manufacturing Company and advanced so extensively by Pacific Mills.

British mills were not integrated; that is, they specialized, this one in spinning, that one in weaving, another in finishing, each requiring its own margin of profit to survive. They had always done it that way. They couldn't change.

Pacific Mills, by carrying on all these processes in one continuous series, in one place under one management, was able to cut costs so far that Britain, even by putting labor on starva-

tion wages, couldn't undersell. In a sense, Abbott Lawrence's concept, new in a world of new things, was an industrial declaration of independence of the old ways of the mother country, and Pacific was waging and winning a trade war for that kind of independence.

The advantage of a sound basic concept soon began, like a superior strain of breeding in a race horse, to assert itself against competition, both foreign and domestic. Pacific Mills was still one jump ahead of the sheriff, but it was turning out cloth — faster, better and more cheaply than ever before in America.

Sharp-eyed investors suddenly woke up. They began to talk about it in Boston, New York and Philadelphia. If the big corporation could keep its head above water in the worst crisis American business had ever been through, what might it do when times turned for the better?

The company's major stockholders began feeding peanuts again to their white elephant. In March of 1858, when other mills were still doing so badly they couldn't have borrowed a dime in a dinner jacket, Pacific went to its old stockholders, asked for another half million, through sale of shares at one thousand dollars each, and got it!

A large part of this new capital went into raw cotton inventory — an investment that saved Pacific's life. After the Civil War broke out, New England's supply of cotton was completely choked off. Hence any mill sitting on baled cotton had a track beaten to its door. Those without cotton were forced to shut down. Before the war was a year old this happened to most of

them. Had it happened to Pacific Mills in the company's then financial condition, there is no doubt its history would have ended at this point.

Again it was one of the Lawrences who saved the day.

Amos Adams Lawrence, son of Amos, was a fair copy of the old man — canny Yankee trader with a strong streak of that same self-punishing New England piety. He was every other inch an angel. For example:

> *February 17, 1850 . . . My attention is so much taken up with business during the week that I find it very difficult to give it to the more important duties of Sunday. My mind runs away from its devotions to plans of business. I pray God to forgive my frivolity and weakness and help me to think of more spiritual things.*

All the same, an over-active New England conscience didn't stop him from making a large fortune.

He was a man of many interests. In his own mill in Ipswich he became the first manufacturer of cotton stockings "by machinery so that they can be sold for $1.50 a dozen."

Because the American people wouldn't believe in that day that any American-made stockings could be any good, Amos had a hard struggle to make the business go. For eight hundred days in a row he lost one hundred dollars a day in the Ipswich mill. His anxiety caused him frequent stomach upsets and, whenever these spells got him to burping, he would explain to his friends, "Too much Ip-switch."

But a few years later his mill was selling cotton stockings by the millions.

It was on young Amos Lawrence's advice that Pacific Mills loaded up heavily on cotton before the outbreak of war. This enabled it to carry on, with a curtailed schedule, all through the conflict, keeping its women workers and older men in jobs, supplying much needed goods, and saving itself from certain ruin. At war's end, with 3,500 looms ready to resume full tilt, Pacific Mills was holding its own, still "biggest in the world."

. . .

The next few years was a period of payoff on the investment — well deserved by patient stockholders — and in 1868 the management summed up:

> *They (the stockholders) have received in dividends more than $3,000,000, and the fixed property has cost a much larger sum than the amount of the capital stock (then $2,500,000). The Treasurer, furthermore, holds in his possession a very large amount of undivided earnings. . . .*

Another financial "booster shot" was given the corporation, with major effect, when Joe Walworth, Pacific's veteran wool buyer, hied himself to England in the winter of 1871 and plunged the company up to its neck in wool at bargain prices.

The wool buyer was a key man in the organization of a mill, the way he handled his job being directly translated into profit and loss. Old Joe Walworth was credited here and around as the shrewdest shopper in the business. He could smell out a

deal in any part of the world and, when he stretched a bit of grease wool over his thumb and forefinger and thrummed it with his other hand to test quality, the tune he played on those taut fibers was a sweet lullaby in the ears of the management — buy low, buy low.

While the Franco-Prussian War appeared to be nearing its close, Joe Walworth sniffed alertly at the breezes of world trade. From overseas he detected a deal in the air.

With the weavers of Alsace-Lorraine idled through two years of conflict, Joe figured there must be a pile of excess British wool with nowhere to go. A buyer's market, of the kind he liked — that is, at distress prices. If he could pick up some of that wool right quick, before peace was declared and the demand in Alsace resumed, it might turn out to be a pretty trade for Pacific.

When Joe said he wanted to go to England with a letter of credit for £50,000, Wiley Edmands whistled. Nearly a quarter of a million dollars!

"We're printing cloth, Joe, not bank notes!"

Joe, knowing his man, shrugged. "All right. This isn't the kind of a deal for pikers to get into. Forget it."

"Oh, I want you to go! I was just a little — er — surprised at the amount."

Joe got his letter of credit. Taking passage on one of the fast new steamers for Liverpool, he hurried on to the London wool sales. Soon a message came to Wiley Edmands' office in Boston

The Franco-Prussian War nearly over, Joe Walworth foresaw a wool shortage, went to England and bought all the wool he could lay his hands on at the London Wool Exchange.

via the new transatlantic cable. Joe Walworth wanted another £50,000!

Edmands came through, but not without a rather desperate word of caution.

IF YOU GUESS WRONG WILL SEE YOU IN HADES.

Two days later Joe wired back:

SORRY UNABLE KEEP APPOINTMENT YOUR FUTURE ADDRESS. PLEASE SEND £50,000 MORE AT ONCE.

At the give-away prices prevailing in London, Joe bought all the wool he could lay hands on. Peace came while he was still over there. Almost immediately afterward the world price of wool went skyrocketing. To Pacific Mills, that rise in the market was as good as money in the bank — or as new mills, which was where most of it went.

. . .

The next dozen years were a time of fast growth for all the mass production industries of America, and in that great expansion Pacific Mills was right out in front. By 1878 there were twelve big mill buildings where 5,500 people made their living. During the eighties the plant was remodeled and spread over twenty-three buildings, steam power was added to the energy of the Merrimack, and the output of cloth had jumped from ten million yards in the beginning to a hundred million.

Through all this, Pacific's conservative Yankee management kept the capital down to its early figure, until the turn of the century. After that the properties were tremendously expanded,

with the company for the first time going out of town, and eventually into the South, for new plants. More and more capital was needed, until in 1922 it stood at $40,000,000, later brought back to around $22,000,000.

In this shopping spree of the early 1900's the main purchases were the Cocheco Cotton Mills of Dover, New Hampshire, acquired in 1909; Hamilton Print Works at Lowell, 1911; Atlantic Cotton Mills, Lawrence, 1913; the printing business of Merrimack Manufacturing Company, Lowell, 1916; and in the same year four plants of Hampton Mills in Columbia, South Carolina.

Meanwhile the property at Lawrence was constantly being improved. In 1901 electricity was put in to turn the wheels, and six years later a big powerhouse was converting all steam and water power into "juice." A new print works, again "biggest in the world," went up in 1909, and the following year a six-story worsted yarn mill was added to the Lawrence works.

. . .

Like most corporations getting out literature about themselves on their anniversaries, Pacific would like to heave out its chest and tell you how big it is, but mere statistics don't give much of a picture. We've all seen 'em, tried to read 'em and find that, for the average fellow, the bigger the numbers the less they mean.

When we tell you Pacific Mills buys so many million dollars worth of cotton and wool and material for rayon in a year, or that its payroll is so many millions, or that it peddles such and

such a total of cloth, we're afraid we'll have to settle for a polite nod from you, maybe even a yawn. We Americans have worn all the tread off that round number "millions."

It reminds us of the fellow who had the job of writing a piece about how big Pacific Mills was a couple of decades ago. He rattled off a great long line of astronomical figures. Realizing after a while he was beginning to get bored himself, he tried to fancy them up a bit, like "the annual output of finished cloth would wrap seven and one-half thicknesses around the world." But even then, the purpose of all that wrapping seemed kind of elusive, and finally he said to himself the hell with it and knocked off a statistic to end all statistics. He wrote:

"If a man were afflicted from birth with insomnia and counted a hundred sheep every night of his childhood, boyhood and manhood, he must live to be sixty-five years old in order to count the 2,366,400 sheep which provide only enough wool to meet one year's requirements of the Pacific Mills."

So we'll rest on that, with a few more sheep thrown in to take care of the increased business since that time, and ask you to take our word for it that Pacific Mills is more than half a pint of outfit.

More important than mere bigness are integrity, quality, the will to contribute to the good things of life. The story of how those things were made is the story of people, and it's the eleven thousand people in Pacific Mills who make up the really vital statistics in this book, the workers and overseers and office help and management and stockholders; and those other thousands,

the dealers, customers and the millions who are the consumers — in all these is the bigness Pacific would rather crow about on its hundredth birthday.

One of these people, away back in 1858, was the ambitious young fellow who had come over to Lawrence from England, John Carmack, overlooker, scouring.

Another was John Carmack, Jr., also overseer in the mill at Lawrence until he retired in his 65th year.

Still another was John Carmack 3rd, who followed his father and grandfather in the mills, and —

Working there today in the finishing department, John Carmack 4th, who will be referred to hereinafter as "Mack."

Another of the people Pacific Mills is interested in today is the pretty little blue-eyed gal with a dash of old Ireland under her modern makeup, a gal whom we shall call "Mary" — because that happens to be her name — and whom Mack met in the mill at Lawrence. After he was promoted to the job of "second hand" in the finishing department, Mack married her.

And of Mary and Mack, more anon.

Next month Pacific Mills will send you another installment of "Memoirs of a Corporation, Weaving a Century." It will be entitled "Chapter IV: Unto the Fourth Generation."

Pacific
Worsteds Woolens

COTTONS
PACIFIC
RAYONS